Expansion plan of Visakhapatnam Steel Plant

2092. SHRI S.M. LALJAN BASHA: Will the Minister of STEEL be pleased to state:

(a) whether Government has approved costly plan for the expansion of the Visakhapatnam Steel Plant;

(b) the details of such plans for the next three years;

(c) whether the international market and export trends have been carefully assessed and incorporated into the risks inherent in huge investments;

(d) whether the VS.P. is dependent on continued demand only from China;

(e) the steps proposed to assess the potential returns on the huge investment being planned by the Visakhapatnam Steel Plant; and

(f) the source of funds for investment?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) The Government in October, 2005 has approved the expansion plan of Visakhapatnam Steel Plant (VSP) at an estimated cost of Rs. 8692 crores (base June, 2005 prices) for increasing its liquid steel capacity from 3 million tonnes to 6.3 million tonnes per annum by the year 2009.

(c) While considering the proposal for expansion, an assessment has been made in respect of the international market, export trends and internal consumption *vis-a-vis* the projected rate of return on the investment.

(d) No sir.

(e) and (f) Assessment of returns on the investment for Expansion Phase-I has already been made in the Project Report. The entire capital cost of the expansion plan will be met by the VSP from internal resources and extra budgetary resources at an incremental debt-equity ratio of 1:1.

Availability of iron ore to steel industry

2093. SHRI DHARAM PAL SABHARWAL:
SHRI C. RAMACHANDRAIAH:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the High Powered Consultative Panel has recently decided to
recommend to the Ministry of Mines for the availability of iron ore to steel industry on priority basis so that steel industry should not suffer on account of delays and difficulties in allocation of captive mines;

(b) if so, what are the complete details in this regard and the action taken on the recommendation of the Consultative Panel;

(c) whether the Consultative Panel has also urged to bring in speed breakers to regulate the unbridled export of iron ore; and

(d) if so, the details thereof and the action taken on the recommendation by Government?

12.00 NOON

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(DR. AKHILESH DAS): (a) to (d) No such recommendation has been made to the Ministry of Mines by the High Powered Consultative Panel. However, the Consultative Committee attached to the Ministry of Chemicals and Fertilizers and Steel in its meeting held on 7th November, 2007 at Chandigarh expressed concern about the need to ensure availability of critical raw materials like iron ore and coking coal to cater to both present as well as post expansion needs of steel plants. The Consultative Committee was also unanimously of the view that the unbridled export of iron ore must be curbed. Details of action taken on the recommendations of the Consultative Committee will be laid on the table of the House.

Demand for total ban on export of iron ore

2094. SHRI SYED AZEEZ PASHA: Will the Minister of STEEL be pleased to state:

(a) whether Government is considering the demand of steel workers *i.e.* the total ban on export of the iron ore especially the hematite variety and conserves this precious raw material that can be used for making steel in the country; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) No proposal regarding total ban on export of iron ore is presently under consideration of the Government.

[The VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair]

PAPERS LAID ON THE TABLE

I. Reports and Accounts (2006-07) of the various Power Corporations and related papers

II. Report (2006-07) of CERC, New Delhi

III. Report and Accounts (2006-07) of CPRI Bangalore and related papers

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SURESH PACHOURI): Sir, on behalf of Shri Sushilkumar Shinde, I beg to lay on the Table:

I. A copy each (in English and Hindi) of the following papers, under sub-section (1) of section 619 A of the Companies Act, 1956:—

(i)(a) Nineteenth Annual Report and Accounts of the Tehri Hydro Development Corporation Limited (THDC), Tehri (Garhwal), for the year 2006-2007, together with the Auditor's Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.

(b) Review by Government on the working of the above Corporation. [Placed in Library. See No. LT. 7847/07]

(ii)(a) Thirty-first Annual Report and Accounts of the National Thermal Power Croporation Limited (NTPC), New Delhi, for the year 2006-2007, together with the Auditors' Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.